

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6033**

**BILL NUMBER: SB 273**

**NOTE PREPARED: Jan 21, 2011**

**BILL AMENDED: Jan 20, 2011**

**SUBJECT:** State Civil Service System; Employee Organizations.

**FIRST AUTHOR:** Sen. Boots

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the State Personnel Department (Department), which applies to employees of a governmental entity that exercises any of the executive powers of the state under the direction of the Governor or Lieutenant Governor, except for a body corporate and politic and the State Police. It requires the Governor to appoint a Director who is responsible for administering the Department. It establishes the State Civil Service System under which state employees are categorized according to two classifications of state employment: (1) classified service; and (2) unclassified service. It provides that an employee in the state classified service who successfully completes a working test period may be dismissed, demoted, or suspended only for just cause. It establishes a process for an employee to file a complaint and appeal an adverse personnel decision. The bill also provides that an unclassified employee is an employee at will and serves at the pleasure of the employee's appointing authority.

The bill provides that a contract or any other form of agreement resulting from negotiations between the state and an employee organization is illegal, unlawful, unenforceable, void, and of no effect. It provides that a state employee is entitled to be a member of or otherwise associate with an employee organization, consult with others for the common good of employees, financially support an employee organization, and petition for the redress of grievances in a manner that does not interfere with the performance of the duties of the employee or of another employee or adversely affect the conduct of state business. It provides that a state employee shall not strike. It provides that a person who knowingly or intentionally violates the provisions concerning employee organizations commits a Class A misdemeanor, and forfeits all rights, benefits, and privileges the person enjoys as a public employee or former public employee. The bill also provides that a citizen of Indiana may institute a civil action for injunctive relief to enforce, prevent, or stop a violation of the provisions concerning employee organizations.

The bill repeals provisions establishing the State Personnel Advisory Board, the State Personnel Department, the State Merit System, the Career Bipartisan Personnel System, and the Merit System for Engineers. It repeals provisions concerning the removal of a public officer after a hearing. It also repeals and replaces provisions concerning a government reorganization, and it makes technical corrections.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *State Personnel Department:* This bill establishes the State Civil Service System and the State Personnel Department. The bill also repeals the current State Merit System for employment, as well as other superseded statutes. The State Civil Service System incorporates many of the current provisions that are in practice under the State Merit System. The duties assigned to the State Personnel Department by this bill do not differ significantly from the current duties assigned to the State Personnel Department and its Director. Thus, any impact should be minimal.

**Explanation of State Revenues:** *Penalty Provision:* The bill provides that a person who knowingly or intentionally violates the provisions concerning employee organizations commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** State Personnel Department.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.